FREEDOM

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SPECIAL EDITION

Videotapes of Federal Informant Reveal Bizarre Government Plot to Destroy Church

Special FREEDOM Report

Videotapes made of a police-sanctioned "sting" operation, showing a series of clandestine meetings between a federal witness and a member of the Church of Scientology, were recently exposed in a Portland, Oregon, civil court. They outline a bizarre, multi-government-agency plot designed to take over the control, property and assets of the Church, in blatant violation of constitutional rights and freedoms guaranteed by the First Amendment.

The evidence presented in the videotapes, copies of which were recently obtained by FREEDOM, reveals that members of various government agencies — including the FBI, the IRS, the Department of Justice, and Canada's Ontario Provincial Police — and a Boston lawyer named Michael Flynn directed and supervised the "running" of a covert government intelligence operative, Gerry Armstrong, in a carefully orchestrated conspiracy to overthrow current Church leadership and seize the Church's sizable property and assets.

Boston lawyer Michael Flynn.

IRS Criminal Investigation Division special agent Al Lipkin.

This conspiracy was brought to light when a private investigator, working under the supervision of a Church attorney, obtained written permission from the Los Angeles Police Department to document criminal actions being planned against the Church in an effort to "bring it to its knees."

Advised of the efforts of a government informant to steal confidential Church documents and plant incriminating and fabricated "evidence" in Church files, a Church staff member arranged to meet with the informant under a guise.

The Church member told the informant that he was part of a group within the Church that was dissatisfied with current Church leadership and wished to improve matters internally. He called his fictitious group the "Loyalists." Seeing this as a golden opportunity to infiltrate the Church and get his orders executed, and after several telephone conversations and reassurances from other fictitious sources, the informant set up a series of secret meetings on a park bench in Los Angeles with the "Loyalist." There he unfolded his bizarre plans and exposed the government plot to infiltrate and "smash" the Church.

With the videotapes exposed in open court, the editors of FREEDOM felt it imperative that the facts and details of this incredible operation be broadly published.

THE CAST

The cast of characters involved in this clandestine plot include government agents in Washington, D.C., Boston and Los Angeles, among others:

• GERALD ARMSTRONG: A traitorous ex-Scientology clerk who left the Church of Scientology in 1982, he is now an itinerant, unemployed federal witness and government informant/operative. When he left, he stole thousands of valuable Church archival documents. He became an informant so that he could infiltrate the Church from the outside. To carry out the government's plan, Armstrong was apparently trained and rehearsed by his lawyer, Michael Flynn, and by his several contacts in various government agencies.

Conversations on the videotapes indicate that Armstrong was a government agent even prior to leaving the Church. Ongoing investigations have revealed that Armstrong may in fact have been a government plant from the first time he contacted the Church of Scientology in 1969;

• BRACKETT BADGER DENNISTON III, ASSISTANT U.S. ATTORNEY IN BOSTON: He had been assigned to investigate an attempt to pass a $2 million forged check on an account of Scientology founder L. Ron Hubbard. Denniston stonewalled the investigation into Flynn's involvement in the crime. To this day, he has not followed up on the volumes of persuasive evidence given to him by Church attorneys and their investigators exposing Flynn as one of the perpetrators of the crime.

IRS Criminal Investigation Division special agent Al Ristuccia.

Armstrong has testified to the fact that during the attempted infiltration of the Church, he was passing covertly obtained information concerning Church matters to Denniston. According to the videotapes, Denniston was in contact with both Armstrong and Flynn during his stonewalling of the investigation into Flynn's involvement in the $2 million check forgery.

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Dept B

FREEDOM GUEST EDITORIAL

COINTELPRO: Alive and Well in America

by L. Fletcher Prouty

COINTELPRO is an acronym for COunter-INTELligence PROgram.

COINTELPRO was a secret program implemented by J. Edgar Hoover's FBI that continued under this official name for approximately 15 years. When it was ostensibly discontinued at congressional insistence in the 1970s, it had a sordid 15-year record of shattered lives, disrupted or destroyed organizations, and outrageous violations of constitutional rights.

The CIA had a similar program called CHAOS. CHAOS, like COINTELPRO, came under heavy congressional attack, and in 1974, it too was outlawed.

These programs were earmarked by such activities as the following:

- Anonymous death threats made to leaders or members of a targeted group;
- False rumors circulated in order to promote strife between groups or between factions of groups;
- Breaking into homes and offices to steal documents, plant evidence, or install bugging devices;
- Use of agents provocateurs to induce members of targeted groups to commit illegal acts; and
- Widespread dissemination of false and derogatory information about targeted groups and individuals.

"Dirty tricks" were the order of the day, with some of the deeds so dirty that actual deaths resulted.

One target of both COINTELPRO and CHAOS operations was the Rev. Dr. Martin Luther King Jr. The actions leveled at Dr. King included attempts to defame him by "leaking" stories of alleged sexual improprieties to his wife and to news media, attempts to prevent him from getting the Nobel Peace Prize, and even an attempt to induce him to commit suicide.

With the outlawing of COINTELPRO and CHAOS by Congress, I thought that such actions had been terminated.

I have recently, however, seen evidence that these programs are still alive and proliferating. Now, in fact, they are even more bizarre and insidious.

The videotapes of government informant Gerry Armstrong show an informant who has been well indoctrinated in the techniques of psychological warfare in modern dress.

Following the classic modus operandi of infiltration, penetration, disruption, and then control, Armstrong has demonstrated how well he has been coached for his role by his government mentors.

The government agencies involved trained their informant well in the ways of undercover organizational takeover. They planned to create a dissident sector from within to penetrate and take over the Church of Scientology. This tactic is straight out of the Nazi subversion textbook.

"The videotapes of government informant Gerry Armstrong show an informant who has been well indoctrinated in the techniques of psychological warfare in modern dress."

Infiltrate and Overthrow

The master of such tactics was Nazi Germany's propaganda minister, Joseph Goebbels. Goebbels plotted to infiltrate and overthrow the governments of Europe with the use of trained agents provocateurs.

Government agents working with Armstrong, as described by Armstrong in his own words on the videotapes, are exploiting the same methods used by the early Nazi organizers to create the Third Reich. The tactics are the same.

The videotapes demonstrate that the government agents know and practice their "black" arts well, and that they are ready to use them against all targets — including churches.

It is obvious to me, from closely observing these videotapes, that these agencies have trained this informant and his accomplices and supported them in these acts.

L. Fletcher Prouty

This is an ominous reminder of those dread days of the now-outlawed CHAOS and COINTELPRO programs of the CIA and FBI. We see, with this trained informant, the addition of the IRS's Criminal Investigation Division, Canada's Ontario Provincial Police, even a Department of Justice attorney, and their willing tool, a lawyer from Boston, to the old and forbidden list of hardcore government departments and agencies that were in operation in the 1950s, 1960s and 1970s in a present-day alliance for the reenactment of the same type of unlawful activity.

The evidence shows that a dangerous and blatant threat against elements of our society can be mounted by these agencies of our own government. This inevitably leads to violations of our basic rights and freedoms. The American people can no longer sit back idly and ignore the danger posed by such unlawful and prohibited acts by their own government bodies. ▲

L. Fletcher Prouty, a retired U.S. Air Force colonel, served with the Office of the Secretary of Defense and was assigned to duties that brought him into daily contact with the CIA and other government agencies and departments during his nine years in the Pentagon.

Mr. Prouty, author of The Secret Team, *a controversial book about the CIA, is a leading authority on U.S. intelligence activities.*

FREEDOM

EDITOR IN CHIEF
Thomas G. Whittle

MANAGING EDITOR
Stacy Young

RESEARCH EDITOR
Andy Lenarcic

SENIOR EDITORS
Kathy Gorgon, John Chambers

CONTRIBUTORS
Chris Finn, Paolo Lionni, C. Lee McCormick, Jim Morrow, Skip Press

RESEARCHERS
Mario Frank, Kay Olsen, Alastair Wood

PHOTOGRAPHERS
Stephen Brown, Todd Yamaguchi, Steve Young

NATIONAL EDITORIAL OFFICES
1413 N. Berendo St.
Los Angeles, CA 90027
(213) 663-2058

U.S. CORRESPONDENTS

Clearwater
Laurin Stewart
500 Cleveland St.
Clearwater, FL 33516

New York
Kevin Brown
227 W. 46th St.
New York, NY 10036

Los Angeles
Shirley Young
1306 N. Berendo St.
Los Angeles, CA 90027

San Francisco
August Murphy
83 McAllister St.
San Francisco, CA 94102

Boston
David Aden
448 Beacon St.
Boston, MA 02215

Sacramento
Christi Losh
825 15th St.
Sacramento, CA 95814

Washington, D.C. Bureau
Lisa Conlin
Sophie Erison
Suite 200
316 Pennsylvania Ave. S.E.
Washington, D.C. 20003

Seattle
Ann Ruble
222 Mercer St.
Seattle, WA 98109

Portland
John Carmichael
215 SE 9th Ave.
Portland, OR 97214

Minneapolis/St. Paul
Mary Lynne Wolfe
900 Hennepin Ave.
Minneapolis, MN 55403

Las Vegas
Rita Thompson
846 E. Sahara Ave.
Las Vegas, NV 89104

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"His first name is Brackett. Last name is Denniston. D-E-N-N-I-S-T-O-N. And he's (617) 223-2280. He's the assistant U.S. attorney involved in the Tamimi thing. . . ."

PLOT

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It is apparent from the videotapes that Denniston planned to exonerate Flynn and accuse the Scientologists of attempting to frame the Boston lawyer for the crime. Obtaining "evidence" of this would apparently be accomplished through covert planting of false documents in Church files with the help of Armstrong and his "Loyalists";

• RICHARD GREENBERG, ASSISTANT U.S. ATTORNEY IN WASHINGTON, D.C.: He is the government's lead counsel in a class action lawsuit filed by the Church against a number of government agencies. The lawsuit charges the government with conducting a 35-year campaign of harassment and disinformation against Scientology Churches and individuals. Greenberg was in regular contact with the informant during his attempts to get the Church's civil rights suit against the government agencies dismissed;

• THOMAS DOUGHTY, SPECIAL ASSISTANT U.S. ATTORNEY FOR THE FBI IN WASHINGTON, D.C.: He is the FBI's attorney in an ongoing lawsuit filed by the Church of Scientology against the FBI for violations of the Church's constitutional rights in connection with a massive raid which the agency conducted against the Church in 1977. Doughty, like Greenberg, was in contact with the informant while representing the FBI in this suit;

• AL LIPKIN, IRS CRIMINAL INVESTIGATION DIVISION (CID) SPECIAL AGENT: Lipkin was heavily involved in the plot to wrest control of the Church from its current leaders and was in regular, daily contact with his operative, Armstrong. He is known to be conducting a quasi-criminal investigation into supposed "tax violations" by the Church and named individuals. He, too, ran Armstrong in the plot to collect or fabricate information to build his "case";

• AL RISTUCCIA, IRS CRIMINAL INVESTIGATION DIVISION (CID) SPECIAL AGENT: He was Armstrong's backup IRS contact in the event that Lipkin could not be reached;

• AL CIAMPINI, DETECTIVE SERGEANT OF CANADA'S ONTARIO PROVINCIAL POLICE: In 1983, after submitting an intentionally misleading and slanted affidavit, Ciampini engineered a massive police raid on the Church in Toronto. Compelled by his animosity, he has pressed for indictments of Scientology parishioners and staff. Ciampini was working in very close coordination with Armstrong and, according to Armstrong, was pushing to get up to 26 top Scientology management executives indicted in Canada, so that the Church would be crippled, directionless and unable to defend itself from Flynn, Armstrong and the "Loyalists"; and

• MICHAEL FLYNN, BOSTON LAWYER: Flynn, an ex-IRS employee and Armstrong's attorney, has been a longtime foe of the Church. Flynn set up a corporation to solicit clients and attorneys in his attempt to bring the Church "to its knees" financially while lining his own pockets. He is known to be in very close coordination with several government agencies in the exchange of information and plans concerning the Church.

Flynn has instigated lawsuits across the country in which more than $1 billion in damages are being sought from Church corporations and Scientologists. Armstrong revealed that Flynn planned to settle all of his suits, once the current Church leadership was removed, at a rate of five cents on the dollar.

There is evidence that Flynn's clients have signed 50 per cent contingency fee agreements with him. At five cents on the dollar, Flynn stood to line his pockets with $25 million at the expense of the Church of Scientology.

Flynn, after hearing of the success of his client, Armstrong, in infiltrating the Church by finding an "in" with the "Loyalists," drafted a lawsuit that he gave to Armstrong to pass on. The lawsuit was for use by the "Loyalists" to file against current Church executives "when the time was right." It was designed to wrest ultimate control of the Church corporate structure, assets and bank accounts; these would then be made available to settle the multitudinous lawsuits Flynn had brought against the Church and Scientology's founder.

THE PLOT

The plot against the Church was carefully engineered with multi-agency cooperation.

The characters involved in the plot are clearly shown in the videotapes to have conspired to:

• Direct an intelligence operation which would result in a group within the Church filing a lawsuit drafted by Flynn. The suit was designed to obtain a receivership of all properties and assets of the Church. It would be based on false allegations — with no factual support beyond what would be planted in Church files. The newly installed government-controlled Church leadership would then immediately settle all of Flynn's litigation, handing millions of dollars over to Flynn;

• Steal documents from the Church to serve as models for forgeries;

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AN INFORMANT'S DIRECTORY

"Referring to a large black book which he held in his lap, Armstrong rattled off a list of names of government agents and their phone numbers."

Al Lipkin, IRS Criminal Investigation Division:
(213) 688-4260, at night: 688-4151

Richard Greenberg, assistant U.S. attorney:
(202) 633-3368

Thomas Doughty, special assistant U.S. attorney for the FBI:
(202) 324-4532

Al Ristuccia, IRS Criminal Investigation Division:
(213) 688-4261

Al Ciampini, Ontario Provincial Police:
(416) 965-6138

Brackett Denniston, assistant U.S. attorney:
(617) 223-2280

PLOT

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• Plant forged documents in Church files which could be "discovered" by government agents during a raid and which would then serve as incriminating evidence against the Church;

• Steal attorney-client privileged communications, including legal strategies of the Church and plans involving its litigation with Flynn; and

• Conspire to suborn perjury in order to cover up the extensive and sordid criminal conspiracy, and particularly to prevent any disclosure of Flynn's involvement.

The videotapes provide clearcut evidence of the Flynn/government agency conspiracy to overthrow the current Church leadership. A new, "cooperative" Church leadership would then accede to a "global settlement" of the extensive Flynn-inspired litigation against the Church, from which Flynn and his cohorts hoped to profit handsomely.

"Friends" in IRS CID

Convinced by several phone conversations with a Church staff member, code-named "Joey," that he could manipulate the "Loyalists," Armstrong arranged a meeting in Los Angeles' Griffith Park on November 7, 1984.

Intent upon motivating the "Loyalists" to take control of the Church of Scientology, Armstrong emphasized to "Joey," the "Loyalists'" representative, that he had the full weight of the government behind him.

Referring to a large black book which he held in his lap, Armstrong rattled off a list of names of government agents and their phone numbers. He wanted "Joey" to call these agents to set up a meeting in which information could be exchanged and instructions could be given to the "Loyalists."

The meeting between the "Loyalists" and the government agents was important to Armstrong, as it would seal the conspiracy, with Armstrong as a central character.

The following conversation took place between Armstrong and "Joey" at the November 7 meeting:

[Editor's note: GA = Armstrong; J = "Joey."]

GA: OK. Well, the agencies have asked for some specific things. That's all they've asked for. Now . . .
J: Let me take notes. What have they asked for?
GA: Well, they asked for — specifically, now — some of the things you've already asked for, and I've already passed on. The names that they mentioned — Marlowe, Reynolds [Church staff members] . . .
J: Now, who wanted this?
GA: CID.
J: Got it.
GA: Now, do you want a number in CID?
J: Yeah.
GA: Your people should call — any problems, just call this guy. . . .
J: He knows about the Loyalists — what we're doing, stuff like that?
GA: Yeah. Basically, yeah.
J: What exactly have you told him and what did he say?
GA: I've told him — well, he feels that — he keeps saying, "When are these guys going to talk to me? I'll meet under any circumstances."
J: Wow!
GA: He wants to talk. You know, wait a — let me get — Al Lipkin, (213) 688-4260. At night, 688-4151. . . .
J: Great. Great. So, what agencies know about us and what do they want, and . . .
GA: Justice Department, FBI . . .
J: You talk to these guys?
GA: Yeah, I do. Yeah.
J: Like, who in Justice? Is there a number I can call

"I passed on to (IRS CID special agent) Lipkin yesterday to go after (Church coordinating attorney) Peterson; he should go after him with f__king tooth and nails."

there?
GA: Uh, Richard Greenberg. I gave you that one, I think. He's the guy you should call. I'll give you that number. He's in D.C. . . . OK. Uh, (202) 633-3368. I gave you one for Tom Doughty, FBI in D.C.

J: What's his name again?
GA: Tom. Thomas D. Doughty. D-O-U-G-H-T-Y. (202) 324-4532. I gave you CID. There's another guy in CID . . .
J: Yeah, Al Lipkin?
GA: . . . Al Ristuccia. R-I-S-T-U-C-C-I-A.
J: Is this Al, too?
GA: Albert, yeah. And — 688-4261. It may be the same as the other one I gave you — I'm not sure. Al Lipkin? No, the other one is -4260. OK.
J: This is CID?
GA: Yeah, I believe that's how he can be reached. I'm taking a f__k of a chance doing this! So are you. But there is a lot of . . .
J: What does he need from me? What does he want? Or is it just backup for what I need?
GA: Well, it ties in. He would like to get everyone to talk so that they can move. But — but at the same time, I always say to him, "Listen, you're putting us in an uncomfortable situation. If you're telling me you haven't got enough to move right now, and I'm giving you the testimony, then I'm a marked man if you guys back off the investigation." The reason I do that is not because I'm particularly paranoid but because I'm searching for what's going on in their skull. He assured me the investigation's going forward: "We've got enough; that's just the way the government works."
J: Canada?
GA: Oh, in Canada, you know . . . the guy I've talked to a lot is Al Ciampini. (416) 965-6138.
J: Who was he with again?
GA: He's with the Ontario Provincial Police. Michael — Mike [Flynn] also thinks that the Florida attorney general is going to bring some charges. Uh, the — you know the whole FREEDOM thing? [This was in reference to FREEDOM's Issue 61, in which affidavits from Ala Fadili Al Tamimi and his brother, Akil Abdul Amir Al Fadili Al Tamimi, were presented in a special supplement detailing Michael Flynn's involvement in a $2 million forged check conspiracy. In the ensuing months, the FBI and the Department of Justice successfully stonewalled attempts to have the crime investigated.] Mike [Flynn] got an indication from — did I give you the name of the guy who's handling that investigation?
J: No.
GA: The Tamimi investigation? Uh, let's see — uh, Brackett Denniston. His first name is Brackett. Last name is Denniston. D-E-N-N-I-S-T-O-N. And he's (617) 223-2280. He's the assistant U.S. attorney involved in the Tamimi thing. . . .

FREEDOM was able to contact Richard Greenberg, Al Lipkin and Al Ristuccia at the numbers provided by Gerry Armstrong. All three individuals refused to answer any questions about Armstrong.

Repeated attempts to contact Thomas Doughty and Brackett Denniston were unsuccessful, as FREEDOM was told they were unavailable. Al Ciampini was not in his office.

FREEDOM also tried to reach Michael Flynn, but Flynn had left for the day. He did not return our call.

The Planned Takeover

It was crucial for the success of the planned takeover that the "Loyalists" gain access to confidential Church files, so that they could plant fabricated, incriminating evidence against the Church leaders.

These documents would then be "discovered" by government agents and used to bring indictments, which would allow the "Loyalists" to move in and take over the Church.

Armstrong stressed the importance of staying in close contact with CID, to make sure the "Loyalists" did what CID needed them to do.

GA: I'll tell you who wants to talk to you is CID. CID are the guys. That's the most likely, absolutely the most likely place in which the whole thing will happen. . . . Every time I talk to CID about you guys, they say, "God, have them talk to us." You know, they want to talk about the way things are. . . .

Armstrong relayed the government strategy to gain control by dividing the Church into separate groups or "cells," which would make it easier for the "Loyalists" to take over.

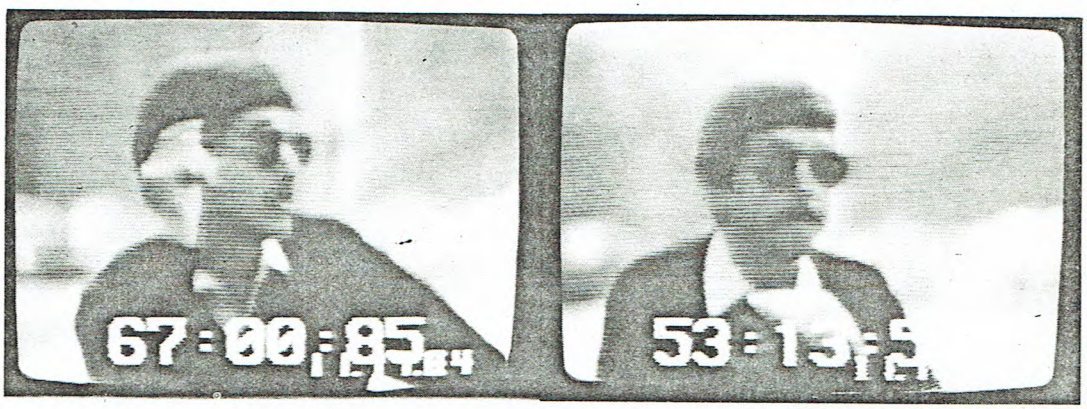
GA: I don't know if it makes sense to you to sort of divide up the organization and — uh, go after people on that basis. Just so that — you know, "Sh_t, we have this group covered," and then divide it up structurally, so that you have all the various key points which have to be covered. I think that you guys will be able to take over and then use operating income to continue the battle. And that way you can secure the buildings, take it over, and I think that it's going to take that kind of thing . . .

He and IRS CID special agent Lipkin had already discussed the dangers of such a plan, and Armstrong reassured "Joey" that Lipkin "already talks about safe houses and relocating and renaming people." The IRS, in other words, would take care of them.

GA: They want to talk to you people. They want — uh, yeah, there's two things. Number one: you guys should, I think, make plans at least, in the event that the whole thing is blown — someone breaks or whatever — exactly how to handle it.

Armstrong explained to "Joey" that once they actually filed their suit, they would be rewarded with official government protection.

GA: As soon as that happens, they become federal witnesses, and the organization's not going to f__k with them. Or if it does . . .



"I don't have this thing about life and death that I used to have. In fact, I would rather welcome a bullet."

Gathering the "Evidence"

Armstrong had specific instructions on what kind of information should be collected from within the Church. He desperately wanted someone in a position to have access to confidential Church files, computer records and attorney-client privileged information, and he was crestfallen when "Joey" told him he couldn't get into the computer files.

GA: No one that we have any control of can look in computer records . . . ?
J: I don't have access to computers. We don't have access to computers.
GA: Oh, you don't. OK. That's good to know. I thought you had someone in there, but that's fine.

Armstrong came to the secret meetings armed with a government "shopping list" which detailed the particular information the "Loyalists" were expected to gather.

GA: These are my — what is it you call it — a shopping list.
J: Right, your questions are on the back.

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THE CONSPIRAT

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GA: My questions are at the back, yeah.
J: (reading the note) How much pay to Ingram [a private investigator], by whom, what corps [corporations] and individuals, when each payment made, how much for all other PIs [private investigators]. . . . The specifics on this stuff.
GA: Right.
J: Now, once again, this is in attorneys' offices and maybe they can find out how much is paid to the attorneys.

Far from being concerned about violating attorney-client privilege, Armstrong encouraged "Joey" to search the Church's attorney files. He was particularly interested in going after Church coordinating attorney John Peterson, who was the Church's lead attorney and whom Armstrong perceived as a threat to himself and his co-conspirators.

GA: I passed on to [IRS CID special agent] Lipkin yesterday to go after Peterson; he should go after him with f__king tooth and nails.

Armstrong asked "Joey" to recruit someone high up in the legal department of the Church who could gain access to attorney-client privileged materials.

GA: Check the goddamn finance records, if you have access. This is the sort of stuff which you need in order to put together the coup de grâce.

Armstrong — undoubtedly reflecting the interests of his IRS CID "friends" — was particularly interested in payments made to Church attorneys and private investigators. The plan was somehow to use the information to attack Church officials for using Church funds for the legal defense of the Church — as though there were something wrong with this.

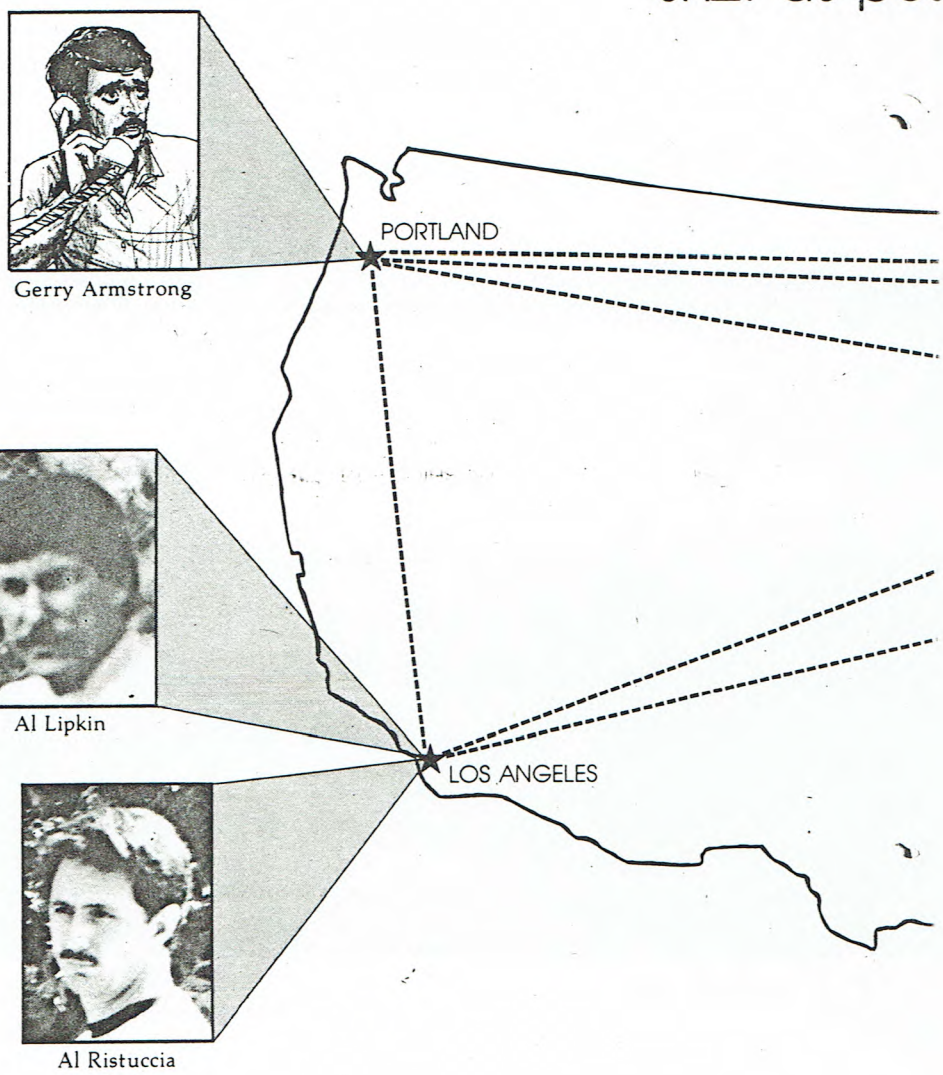
GA: You should find out all payments made that went to attorneys, because I have people who can trace those bank accounts* and see where the disbursements went from those accounts. You following me? . . . But not only for your suit, but to give to the various people that are involved. You know, so that Brackett Denniston, [assistant U.S. attorney in Boston, Massachusetts] who is investigating Ingram, knows. If we can get anything on Ingram, anything on Peterson, anything on finance records . . . it's all vital.

If no evidence existed, Armstrong suggested, "Joey" could fabricate it, plant it in Church offices, and let the "feds" know where to look when they went "hunting."

Armstrong's idea was for the defectors to write proposals for the revision of Church policy, including in their proposals statements implying that illegal actions were occurring within the Church about which they were very concerned. Armstrong called these planned proposals "CSWs," using a Church abbreviation for "proposal":

GA: So therefore, here's my

"I am only a relay pc
However, I — I do mak
purpose to crea
sh_t as pos



Gerry Armstrong

Al Lipkin

Al Ristuccia

* According to L. Fletcher Prouty, who was a vice president of a major bank in Washington, D.C., following his retirement from the Air Force as a colonel, the only people with the authority to "trace bank accounts" are employees of the FBI who have been granted specific power to do so.

RIAL NETWORK

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as much
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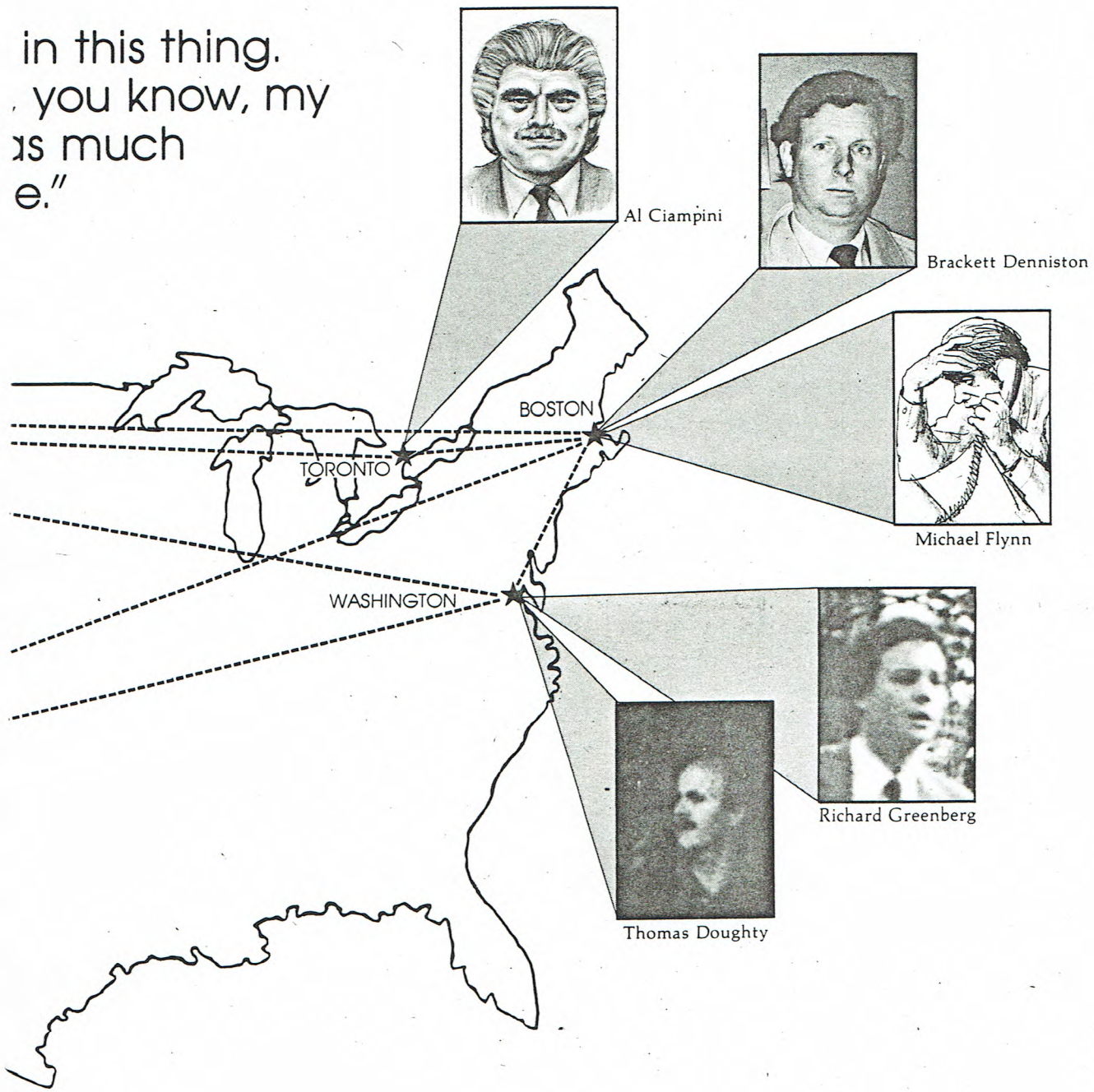

proposal, and just the fact of having that goddamn proposal of some guy . . . you've got such incriminating information in the CSW, you follow?

J: So we put a letter together saying that . . .

GA: I'm saying a CSW, and you keep your copy of the CSW. They [the feds] are going to come around hunting — "Where the f__k is it? Ah, sh_t, got rid of it all!" Except you've made it off the property and you've got it somewhere. Type it off the property and bring it in. There's no problem bringing stuff in, right? You could bring stuff in — maybe you can't sit at your desk and type it — I don't know. . . . But just maybe that sort of stuff can be done — issues [published Church guidelines and information] could be created, stuff can go in. . . . And that's the sort of material which we'll use to put into the affidavits.

Armstrong considered it so urgent that this be done that he was even ready to write the affidavits himself.

GA: You guys are going to need to put out issues when this thing happens. . . . You should be preparing — right now, in my opinion — goddamn affidavits that I can be — that we can put into a computer and have run off and ready to go. I can write — I write legal sh_t! . . . You see, you're going to need someone who — you know — you can give me a rough draft and —

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PLOT

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you know, we can rework it and send the damn thing back to you for signature!

In a conversation with another "Loyalist" named "Mike," Armstrong specifically asked for allegations of criminal activities.

[Editor's note: M = "Mike."]

GA: There are hundreds of lawsuits. That's standardly what lawsuits are, you know, a lot of times, uh — lawsuits have that form. It is simply a disagreement over who has control of corporate funds. That is — that is simply the issue. They don't allege that there was any criminal misconduct or illegal use of the funds or anything.
M: But this is alleging that there's criminal misconduct.
GA: That's right, and the reason for that is because with that, if you can get any of those things, then — then the court can act immediately to freeze the accounts.

When "Mike" explained that there was no evidence of criminal acts on the part of the Church, Armstrong became very impatient. On two separate occasions, he stressed that the filing of a lawsuit against the Church was not dependent upon evidence of wrongdoing. Armstrong insisted that they didn't have to *prove* anything — they just had to make the allegations.

GA: How much was paid to Ingram?
M: I don't know that data yet.
GA: Who paid?
M: I presume the attorneys paid him.
GA: Yeah, but it comes from your [the Church's] money.
M: Right, so then it would be how much is paid to the attorneys, right? I mean, that's what we would want to know.
GA: Who gets an accounting of what — you know, your board members. Your f__king board members! The guy's on the board and you can't find out? Those are the people who should be signing it, who should be doing it.
M: OK. I'm not asking about whether they can find out, but whether they need to, in order to be able to do this. Do you see what I'm saying? It's like . . .
GA: They can *allege* it! They can *allege* it! They don't even have — they can *allege* it!
M: So, they don't have to — like, they don't have to have the document sitting in front of them, and then . . .
GA: I'm f__king saying the organization destroys the documents! . . .
M: The point — the point I'm trying to get across is that that's not criminal. That's the — that's the civil complaint in there and that would have to be proven.
GA: Show me the lines you're talking about.
M: Well, it's over here.
GA: Where are the — we don't have to prove a goddamn thing. We don't have to prove sh_t. We just have to *allege* it.

"I'll tell you who wants to talk to you is CID. CID are the guys. That's the most likely, absolutely the most likely place in which the whole thing will happen. . . ."

An Obvious Slip

Armstrong was exchanging information regularly with his lawyer, Michael Flynn, who wanted Armstrong to send him any and all materials provided by the "Loyalists."

On November 7, 1984, "Joey" gave Armstrong a number of Church issues which had been requested by Flynn.

J: . . . I have a whole bunch of documents here, and samples of different kinds. I can give you these.
GA: Good! This is, ah, like a kid in the candy shop!
J: I hope I got what you wanted here.
GA: Oh, so far, we're looking great!
J: OK, you want to take a look at them? I haven't really studied them closely, but maybe I can help you answer any questions.
GA: You know, I won't waste your time right now with going over all of this, because I know as I go through it and study it and study the legalese, I'm going to have a lot of questions. Mike [Flynn] is going to have a lot of questions. OK?
J: Yeah.
GA: . . . And I'm going to copy this stuff, send him [Flynn] off the package, and sort through it and see what the heck it really is all about.

This was obviously a slip on Armstrong's part. During a later meeting which took place on November 9, "Joey" asked him if he had had any recent conversations with Flynn, and Armstrong abruptly let him know that he intended to cover up Flynn's involvement in the conspiracy.

J: OK. Any news from Michael [Flynn]?
GA: No . . .
J: Great. I got this. This is good.
GA: By the way, I'll never admit that anything comes from Michael [Flynn], including any complaints which I may have drafted.
J: Why's that?
GA: Because that's what — that's how I've got to approach it.

Armstrong again made a slip during another conversation with "Mike" concerning the planned lawsuit. He could not hide the fact that Flynn was a key supporter and one of the masterminds behind the takeover plot.

The following exchange occurred during a meeting between Armstrong and "Mike" on November 30, 1984:

GA: . . . There's no one around, aside from Michael Flynn, who has an understanding of this whole f__king thing like I do, and that's a fact.
M: OK. I mean, is — is Flynn willing to help us on this?
GA: Well, what the f__k do you think? We talk every day about it! But that's not for you to report around.
M: No — OK, OK.
GA: Because I have no intention of hurting Mike Flynn.
M: Right.
GA: But I'm telling you, he's behind it 100 per cent — absolutely behind it.

Flynn's Plans for the Church

Flynn's involvement in the takeover plot as revealed in the videotapes is not surprising, considering his history with the Church of Scientology.

It started officially in 1979, when Flynn created a corporation called Flynn Associates Management Corporation (FAMCO).

The purpose of FAMCO, as documented evidence has revealed, was to destroy the Church of Scientology through a series of class action and damages lawsuits designed to break the Church financially, with the profits accruing to FAMCO.

A 1981 FAMCO document entitled "Scientology — Review and Planning," detailed a simple four-point plan by which Flynn expected to achieve his purpose. The plan included:

1. Closing Scientology organizations;
2. Adverse media [against the Church];
3. Adverse public reaction [against the Church]; and
4. Federal and state attacks [against the Church].

Although Flynn has denied ever having implemented his plan, evidence provided by Armstrong in the videotapes indicates that Flynn's FAMCO plan was indeed activated.

Armstrong reassured "Joey" at one point that he had spoken to Flynn, and that Flynn felt it would be a very simple matter to do away with the established Church hierarachy and take over the Church.

GA: Well, this is how Mike [Flynn] sees the legal battle is going. What he sees is there's no other way — like, it's going to happen sooner or later, you know, because there's like a last skirmish going on and that's about it. . . . Ah, his feeling is that a couple — a handful of the right people with affidavits can end it — just end the whole damn thing.

lynn had high hopes for win-
g his suits against the Church,
Armstrong reflected his
timents.

;A: . . . They [the Church]
nly have to lose one, and
ttorneys all over the country
re going to jump on the
—king bandwagon. And
vatch — you know, all of a
udden you've got precedents
›eing established which are
ncredible. . . .

During conversations with
like" and "Joey," Armstrong's
›rds mirrored Flynn's plan. He
o provided an insight into how
ynn and the government
ended to end the legal battles in
ort order, once the Church had
en taken over.
Their plan was to convince the
oyalists" to remain in the
urch so that, once their suit
as filed, they could move into
p leadership positions. As
›vernment pawns, they would
sist in the Flynn/government
keover of the Church.

J: Yeah, the committee was interested in — you mentioned to me a long time ago — you saw, like the — that you were sort of like the "Meisner" [a government informant involved with the 1977 FBI raid on the Church who provided information against the Church of Scientology] of the Toronto raid, right?
GA: Yeah.

J: We file this suit, so whoever files it will sort of be like the "Meisner" here, again. Is that right?
GA: Well, this is a different thing. Mike [Flynn] was pretty adamant last night. . . The difference is this: Meisner took off, right?
J: Yeah.
GA: I took off. Franks took off. Laurel took off. First Nelson took off. Mayo took off, OK? Every one of those people took off. We are all Meisners. You guys are not because you have it within your power to stay there. You have it within your power to simply say, "We are not moving," and watch what happens if you guys said that. If you guys get pushed around, Mike's [Michael Flynn's] recommendation was do not leave; stay there. Say, "We are the organization." And also, if you want to, from here on out set up a communication line with me, so that if I'm not called every 24 hours, then I know to get the feds and get down on the f—king doorstep.

One day "Joey" asked Armstrong, during a pause in their conversation, why he was so intent upon destroying the Church. His answer revealed that he had been working for the destruction of the Church even before he left it.

J: What's your — your . . .
GA: My purpose?
J: Yeah, for the Church.
GA: Well, my purpose initially is global settlement. I want that. I've done this sh_t now for going on three years, and even longer before that when I was inside . . .

On another day, Armstrong revealed how he expected to achieve his "global settlement" during a conversation with "Mike":

ning the Church.*

GA: Let's talk to these guys [government agents]. Great! I think that they would want to talk in person, because they're searching for understanding about it [the Church] with current information. Obviously, the information they have — unless they got hold of some defectors, is not very current. You know, 1982 is really the most current information, I believe, of anyone they're talking to that I know of . . . Have there been any high level defections — any defections recently that they're concerned about? . . . What is the actual line of control? Who is in charge? Because someone is. . . .

This admission of ignorance by Armstrong directly contradicts sworn testimony he has given in court. It is evident that neither lying under oath nor fabricating evidence were matters of concern for Armstrong.

High Level Infiltration

Armstrong suggested a method by which the information could be obtained: planting informants at high levels within the Church.

GA: I just think you guys — I don't know if it's been tried before, but there's definitely a way to get to the top — that's been known in high political circles for a number of centuries.

Although Armstrong testified under oath that he never proposed or participated in any covert operations against the Church of Scientology, during a conversation with "Mike" on November 17, 1984 — prior to his testimony — Armstrong presented a full-fledged plan for creating his own intelligence network within the Church.

In this way, he hoped to have an immediately available information pool from which he could draw and, at the same time, plant false and incriminating documents.

Armstrong wanted to know if there were any "old intelligence personnel" within the Church who had secretly defected. Armstrong had in mind to replace the Church's private investigators with his own — planted — intelligence agents.

GA: I don't know everything that can be developed, but possibly — I see the possibility of the removal of the PIs [private investigators]. They remove the PIs and they've got to set up their own internal information apparatus again. . .

He asked if there was anyone who was in a position to obtain the reports of private investigators.

GA: Are they in a position where they can get current strategy? Are they in a position where they can get PI reports? . . . Can they find out who — who are the operating PIs currently? Can they do that?

"There's no one around, aside from Michael Flynn, who has an understanding of this whole f—king thing like I do, and that's a fact."

GA: . . . You know, you've — you've got federal agencies, you know, just about to bring the hammer down. You guys [the Church] are assaulted from every quarter with lawsuits. And they can all be bought off — they could all be bought off for — you know, for five cents on the dollar.

Perjured Testimony Revealed

Armstrong and a number of other "witnesses" for whom Flynn had drafted affidavits testified repeatedly under oath that the religion's founder, L. Ron Hubbard, was managing the Church of Scientology. These "witnesses" testified that they had "personal knowledge" that Hubbard was a "managing agent" for the Church.

However, the spontaneous comments made by Armstrong to one of the "Loyalists" in November 1984 clearly show that neither Armstrong nor Flynn nor any of the "witnesses" actually knew anything about current Church affairs or who was run-

He suggested that his "friends" in CID could help to gather damaging information on the private investigators. The information could then be slipped to Church officials, and would hopefully result in the firing of these investigators.

GA: Now maybe you can't necessarily do all those things. Maybe CID can run a make on them. . . . And I'd like to — I mean, they can do it.

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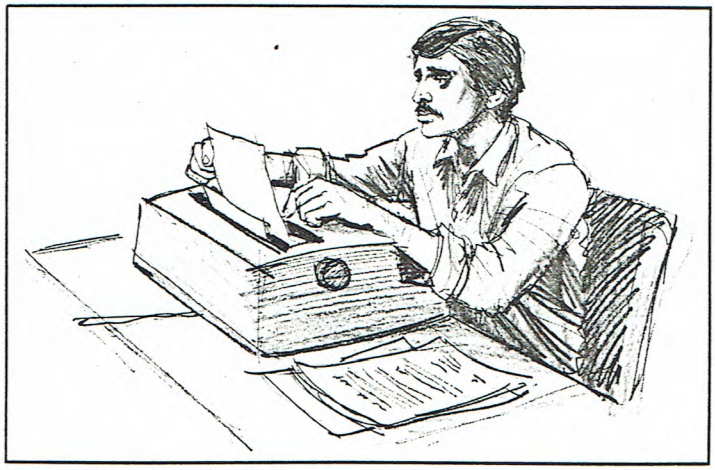
* The Church has been managed for a number of years by a committee of senior Scientology officials. L. Ron Hubbard retired from any involvement in Church operations some years ago and is currently pursuing his career as a best-selling science fiction author, as well as continuing his Scientology research.



"... I can create documents with relative ease, you know. I did it for a living!"

PLOT

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They'll run checks. . . . That's the kind of liaison where — where you know, we can actually cause a lot of things to happen if there is that kind of detailed information going back and forth. . . .

I mean, I envisioned it at the outset that potentially you guys could — uh — develop an intelligence apparatus which the organization does not have currently, simply by scooping the PIs. If you had a lot, if you had some intelligence on Armstrong — you know — you could get a feather in your cap. And possibly move up in that way to the point where you're let in on what the f__k's going on. Or someone — you know what I mean? If suddenly — uh — you're the only guy that has, you know — let's say someone in the organization had the sense, the sense to retain a mole somewhere. And let's say that someone — we could set it up that someone got close to me. Then you've got your intelligence network. And then back the PIs off because you don't want them f__king it up.

Then suddenly you're getting funding to get them intelligence that you don't give a f__k if they get or not, but they get real excited about it. I mean, the organization — the people at the top — get excited about little — wow! You know. — this has happened, or that has happened. Then they start buzzing about it, right?

M: Yeah.

GA: Well, you should give them something to buzz about. I don't know the form of it because it's only me. I don't know your — your capabilities, or who you've got on the outside, or — you know — the, the communication lines by which it could happen. We could set the whole goddamn thing up so that — so that you've got someone from the organization in the same apartment complex that I live in — that I moved to. You know what I mean? And — and possibly in that way you can — uh — have enough information so that it makes sense that you're contacting the people to talk about it.

M: Right.

GA: And becoming part of the top simply because you're — you're the guy who's got it. And they're going to depend on you. You following me?

M: Yup, I'm following you.

Obviously, Armstrong recognized that the use of private investigators was a threat to the government's covert plan to infiltrate and take over the Church. As has now been proven by the existence of these videotapes, and further authenticated by sworn affidavits recently filed in courts around the country, it was in fact the private investigators who uncovered the Flynn/government takeover plot before it could be carried out.

Planned "Disappearance"

Armstrong went to such bizarre lengths as to plot a staged "disappearance" which, as he hinted to one of the "Loyalists," could be blamed on the Church. This was not surprising, considering Armstrong's earlier false statements that he was "afraid for his life," at the hands of the Church, while appearing around the world as a media darling and "expert witness" against the Church of Scientology.

GA: I am only a relay point in this thing. However, I — I do make it, you know, my purpose to create as much sh_t as possible. You know, hence I have . . .

M: Sh_t for the organization?

GA: Yeah. I — whatever I do — you know, because I have no — I'm not hooked into anything. . . .

M: Right. . . .

GA: In fact, you know, I'm in a more vulnerable position because I can be — you know, I'm so visible. What if I dropped out of sight?

M: Well, we'd lose you.

GA: Not necessarily.

M: You mean, we could set it up so that you just dropped out of sight?

GA: Exactly. You know, it could be real beneficial. Maybe it can draw the organization into something.

M: So, what if you dropped out of sight? I didn't totally follow the — the progression there. What. . .

GA: I mean. . .

M: What — what would the advantage be?

GA: It could possibly be a great deal of advantage. That I — I don't know . . .

M: I'm not — I'm not following that. I'm not — you mean we can maintain a comm [communication] line with you even though you were not as visible to everybody else in the organization?

GA: When someone drops out, it really excites people. You know what I mean? . . . If that were to happen, then — then. . .

M: But, don't you think that would just attract more attention to you and make it more difficult for us?

GA: I don't — I don't see why, necessarily.

M: And you feel like it would be best for you to drop out of sight in order to pull that sort of stuff off?

GA: No, not necessarily. I just see that — I know that that excites people in the organization when they can't find somebody.

M: What do you want to excite them — what? I'm a little lost on that as to why we would want to excite them about you. I mean, if you're our comm line . . .

GA: You don't have anyone else to — you don't have anyone else whose life you're potentially in control of out here, in a position such as myself.

M: No.

GA: Someone who — someone who could excite them, I mean. I have excited them, right?

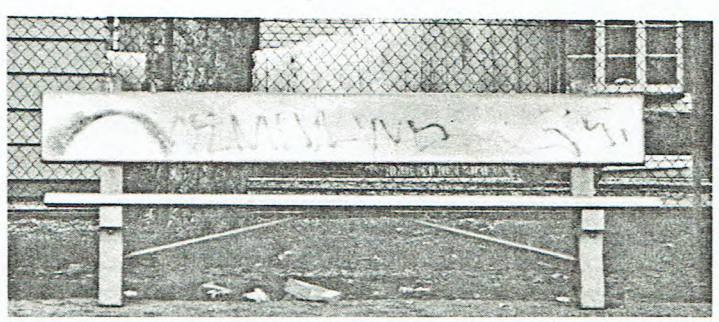
M: Right.

GA: The same thing could happen again. And maybe this time when it happens they can be set up. And maybe you can get what you need. . . I know that if you got some intelligence personnel in there, and you give them the idea — I mean, there's a lot of things that can be — that can develop. You know, with our existing communications line, it's such a unique situation that it can be developed into anything you want. . . .

I don't have this thing about life and death that I used to have. In fact, I would rather welcome a bullet. In a sense, it puts me in a rather powerful position — not that I'm looking for it and that I would ever contemplate doing it myself, but, ah, I don't care. And if you guys can use the fact that I don't care and the fact that I write and the fact that I've disappeared and — uh — other facts which you can use.

Script for Lying

Armstrong knew he was taking a risk in speaking so freely to "Joey" about his role in the Flynn/government takeover plot. To ensure "Joey" would not inadvertently blow his cover, Armstrong



Armstrong was videotaped on this bench in Los Angeles' Griffith Park.

instructed him on how to lie should he ever be questioned about their meetings.

GA: OK. What are our conversations, should it come down to it?
J: What do you mean?
GA: What do we talk about? You're deposed. You walk out there, and there's a PI — hands you a paper saying, "You're deposed, Jack. And not only that, you're out of the organization." And what do you say in deposition? "Well, Armstrong and I talked about this and he had a whole bunch of ideas about how to infiltrate the communication lines and spread turmoil and disaster." You know? What are we doing here? That's my question, before I tell you my ideas on documents.
J: Well, what I got is basically — Loyalists gotta — we gotta move — we've got the suit coming up and I guess we need other lines to get stuff going. . . .
GA: OK. So far as the doc [documents] — let me just say — ah, you and I get together — we get together because I have a goal of global settlement. You have felt that the turmoil and the abuses and so on have gone on too long. Hence, we get together and discuss things. We have not discussed . . . that Scientology is bad, or anything like that. Are we agreed? . . .

Later, he made his position clear to "Mike":

GA: By the way, no one will ever get any names, any communications, any times, any dates or anything out of me. That's just the way it is. I'll go to prison before I ever talk, okay? So you have to know that, because they're wanting to depose me every couple of months. I'm simply saying "No." . . . I'm telling you what I would tell them in deposition, but they don't get anything else. . . .
M: OK, so that — that's fine — we have an agreement on that point.
GA: Right. And you guys also have to have your agreements worked out between yourselves, too. Like — I don't know who knows I'm involved, but I'll deny it!

"Pool of Information"

Armstrong wanted to create an entire network of plants within the Church who would spread fabricated Church policy issues and also quietly recruit additional "Loyalists."

GA: An organization's comm [communication] lines are of various kinds, and I think you can use that fact — you know, realize what their comm lines are and plug into them.

He couldn't resist putting in a good word for his own skills in falsifying documents.

GA: You see, because I think that during a part of this, we can simply create these, you know — I can create documents with relative ease. You know, I did it for a living!
J: Great, so what kind of stuff are we going to want to create, and who's going to get it?
GA: That's what we need to talk about!

Armstrong gave "Joey" some helpful hints on how to assess the loyalties of Church members without anyone knowing what they were doing or who was doing it.

GA: I've given you the one thing which I think is a fairly smart idea, which is to use an issue as an assessment. It would happen everywhere. They could never tell, you know, if it was done right. It would be in all the baskets [in-trays or in-baskets] and they could never tell. . . . I tell you what — within the next 24 hours I'll give you an idea. I'll write something, and we can just toss around how it can be used.

Armstrong was pushing heavily to get someone to finance an outside printing operation. He painted the picture of what it would be like if "Joey" could just get someone to put up $20,000.

GA: Well, we could set up a press and we could produce issues, and then we could set up a network, and we could have communication lines running outside the organization. You could create a pool of information, just as an immediate thing. . . .

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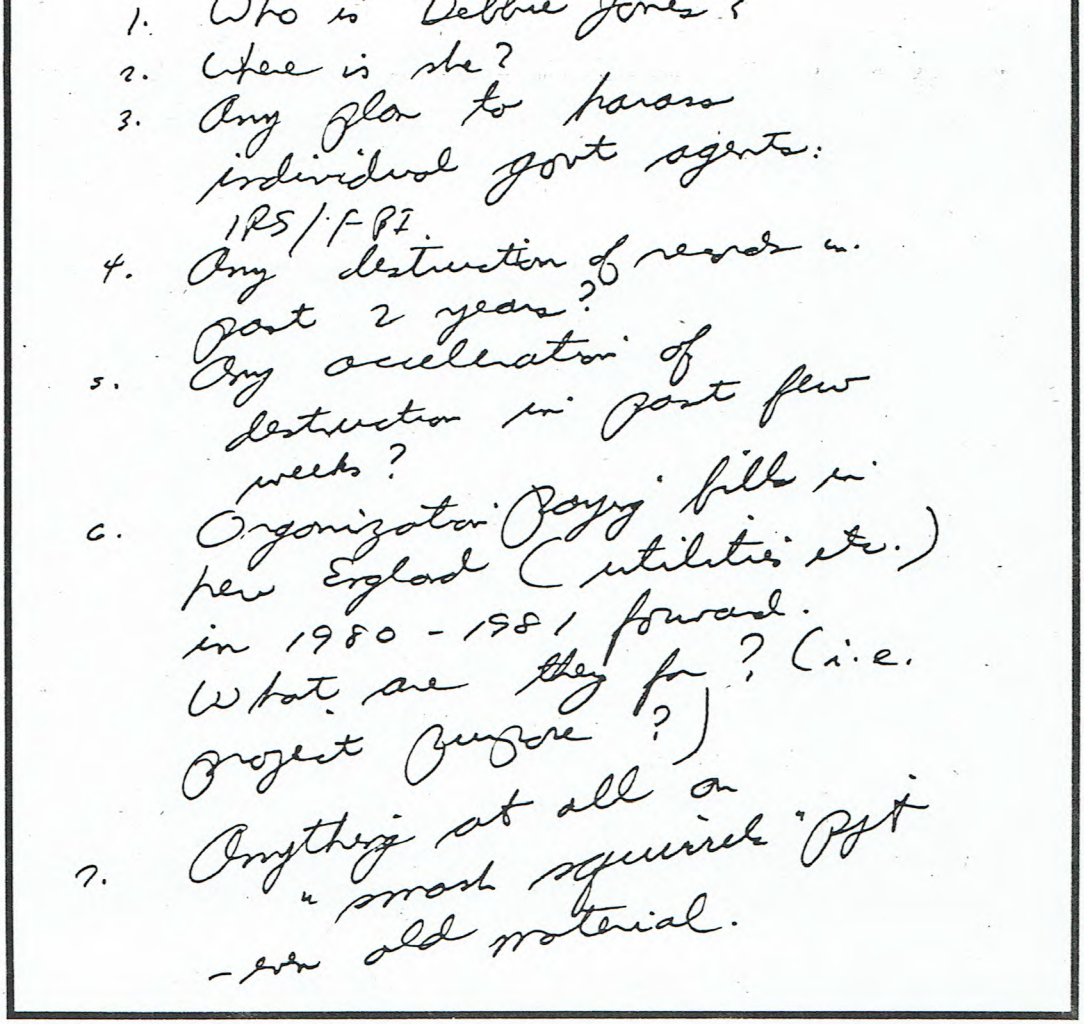
"Armstrong came to the secret meetings armed with a government 'shopping list' which detailed the particular information the 'Loyalists' were expected to gather. . . . If no evidence existed, Armstrong suggested that 'Joey' could fabricate it, plant it in Church offices, and let the 'feds' know where to look when they went 'hunting.'"



PLOT TO DESTROY CHURCH REVEALED

continued from page 11

The purpose of this "pool of information," as Armstrong explained it, was to speed the process of destruction of the established Church leadership by providing the government with fabricated documents which could then be used to indict Church officials, thereby allowing the government to unstabilize the Church from within and to gain control of the Church and its assets.

At one point, Armstrong finally got exasperated at "Joey's" lack of enthusiasm for the idea of printing fake issues.

GA: . . . It seems to me that you don't have a way of printing anything to get an issue on the lines [that can be] used for anything, right? I'm saying I can do it! I can type those goddamn things and duplicate them and make them look exactly the same! You can't — you wouldn't be able to tell the difference. You know, maybe under a microscope you can tell the type of faces, you know — this one's got a little crack on the "T" and this one doesn't . . . but that happens to be — that only happens to be one little piece of it. You put out another issue the next day for a totally different purpose!

COINTELPRO

As bizarre as the Flynn/government conspiracy against the Church of Scientology may seem, such intelligence plots have, unfortunately, been routine within U.S. government agencies for years.

In the mid-1970s, both the FBI and the IRS were wracked with scandal when the now-infamous Counterintelligence Program was exposed.

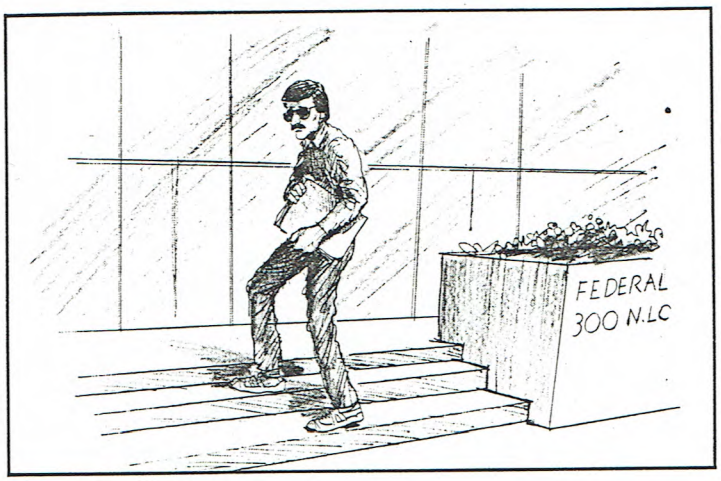
The program, better known by its acronym, COINTELPRO, was exposed following a lengthy congressional investigation.

The destruction of specifically targeted organizations was laid out in several simple steps. An FBI memo dated April 4, 1968, listed a number of actions which could be used to disrupt and, ultimately, to destroy an unwanted group via COINTELPRO:

- Leaks to friendly news media;
- Obtaining the mailing lists and bulk mailing permit numbers of the organization and counterfeiting literature damaging to the organization; and
- Fictitious letters to news media exposing the group's plans.

The memo noted that "Counterintelligence should also be directed against the individuals personally in an attempt to disrupt their personal and official activities and plans." Several suggestions as to how this could be done were laid out:

- Intimate knowledge of the individual's daily activities is vital to implement an effective counterintelligence campaign;
- Physical surveillance of the subject's motel room for immoral conduct. When such is detected, anonymous phone calls could be made to the local police department and newspapers;
- Anonymous calls to the subject's wife alleging infidelity with his traveling companions and/or female co-workers;
- Selected personal appearances could be disrupted by anonymous bomb threats;
- When sufficient data is collected regarding subject's income, conferences should be had with the IRS; and
- The regulatory powers of local and state agencies should be utilized to police the minor transgressions of the subjects, such as building codes, permits, traffic violations, etc.



"I've done this sh_t now for going on three years, and even longer before that when I was inside."

COINTELPRO had been one of the government's best-kept secrets until its widespread exposure in the mid-1970s. The agencies were subjected to months of highly embarrassing and ruthlessly meticulous congressional investigations in both the House and the Senate, probing every aspect of their unconstitutional and illegal COINTELPRO actions against American citizens.

As a result, the FBI announced with broad publicity that COINTELPRO was cancelled. This was an accurate statement, but it was not necessarily true.

The program called COINTELPRO was officially cancelled; the door was left open, however, for the activities which had been conducted under this heading to continue. In the memo cancelling the program, then FBI Director J. Edgar Hoover stated:

"In exceptional instances where it is considered counterintelligence action is warranted, recommendations should be submitted to the Bureau under the individual case caption to which it pertains. These recommendations will be considered on an individual basis. . . ."

Someone in a position to approve a counterintelligence proposal for the targeting of a thriving, influential church apparently felt that the destruction of the Church of Scientology — and the money and assets that could be seized if it were to be wiped out — fit into the category of "exceptional instances."

The videotapes of their bumbling agent, however, may well lead to further embarrassment for the government, as evidence continues to emerge that COINTELPRO is still alive and well in the United States. ▲